

RD AN No. 3890 (1942-A)  
September 9, 2003

TO: State Directors  
Rural Development

ATTN: Program Managers  
Community Programs

FROM: Arthur A. Garcia (Signed by Arthur A. Garcia)  
Administrator  
Rural Housing Service

SUBJECT: Eligibility of Private Nonprofit Organizations

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to clarify RD Instructions 1942-A, 3570-B, and 3575-A.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN No. 3775 (1942-A) dated July 26, 2002, which expired on July 31, 2003.

**IMPLEMENTATION:**

All private nonprofit organizations must meet the “public use” requirements of the regulations governing the Community Facilities direct loan, loan guarantee, and grant programs as contained in RD Instruction 1942-A, section 1942.17(e); RD Instruction 3570-B, section 3570.61(f); and RD Instruction 3575-A, section 3575.20(e)(2). To demonstrate availability for public use, the organization must allow open membership from the community. The organization cannot restrict membership based on race, color, religion, national origin, sex, age, disability, sexual orientation, or marital or familial status.

EXPIRATION DATE:  
September 30, 2004

FILING INSTRUCTIONS:  
Preceding RD Instruction 1942-A

If membership is customarily required to access and use the facility, any individual from the community who applies for membership must be given membership or be placed on a waiting list to join the organization as space becomes available on a first-come, first-served basis.

These projects must also meet all other requirements of the regulations governing the Community Facilities direct loan, loan guarantee, and grant programs. Please contact Glenn E. Walden, (202) 720-1505; or Chad Parker, (202) 720-1502, for further clarification.